GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:5039
ANSWERED ON:23.12.2014
AGRICULTURAL CO OPERATIVE SOCIETIES
Saraswati Shri Sumedhanand

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government is aware of the problems/difficulties being faced by the agriculture co-operative societies across the country;

(b) if so, the details thereof and the corrective measures taken by the Government in this regard;

(c) whether any recommendations/representations have been received from various quarters including stakeholders in regard to amendments in the existing Multi- State Cooperative Societies (MSCS) Act and if so, the details thereof;

(d) whether the Government proposes to delegate administrative and financial power to make the cooperative sector more autonomous and professional; and

(e) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI MOHANBHAI KUNDARIA)

(a) & (b): The condition of the rural cooperative credit institutions including Primary Agricultural Cooperative Societies (PACS) have been affected due to several factors which, inter-alia, include low resource base, poor recoveries, lack of business diversification, huge accumulated losses, lack of professionalism in the management, lack of skilled manpower, poor internal control systems etc.

Concerned with the need to strengthen the rural cooperative credit institutions, the Government of India approved a revival package for the Short Term Cooperative Credit Structure (STCCS) in 2006 for providing financial assistance for cleansing of Balance sheets of Primary Agricultural Cooperative Societies (PACS), District Central Cooperative Banks (DCCBs) and State Cooperative Banks (St CBs) as on 31.03.2004 and strengthening their capital base for attaining capital adequacy of 7% as on 31.03.2004. However, such financial assistance was contingent upon the State Governments bringing legal reforms encompassing amendment to Cooperative Societies' Act, Rules and Bye laws to strengthen democratic and autonomous functioning and supremacy of the elected Board and institutional reforms to build up proper accounting, monitoring and internal control systems in the cooperative credit institutions with computerization. The Package was closed on 30.06.2011 and the Government of India had released an amount of Rs.9245.28 crore under the package.

(c): Suggestions/representations have been received from various quarters and stakeholders including High Powered Committee (HPC) on Cooperatives constituted by the Government under the chairmanship of Shri S.G. Patil to further amend the Multi-State Co-operative Societies Act, 2002 to keep the legislation in tune with the changing economic policies and to facilitate the multi-state cooperative societies to take advantage of the new and emerging opportunities and make the management of these societies responsible to the members and accountable to the law of the land.

(d) & (e): The Multi-State Co-operative Societies Act, 2002 already provides administrative, functional and financial autonomy to the multi-state co-operative societies to enable them to function as a democratic, autonomous and professional entity. State governments have also been advised to amend the respective State Cooperative Societies Acts to make these provisions.